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ABSTRACT

This document presents Georgia's guidelines for receiving state capital outlay funds. The procedure is divided into three parts: preliminary planning, design and preconstruction, and construction. The guide describes how the preliminary planning phase utilizes the state's schedule of events for project administration and provides explicit directions for architect services and preliminary designs and plans, such as educational specifications and coordination of plans. It highlights design and preconstruction considerations including project cost estimates, contract documents, advertising, bidding, overruns, underruns, contract awards, the preconstruction conference, the notice to proceed, and reimbursement. The portion of the report addressing the construction process examines guidelines for the inspection of instruction, the contractor's payrolls, any alteration to the contract, accounting records, periodic payments, occupancy prior to completion, final inspection, final payment, and warranty inspection. This step-by-step process is intended to help project managers keep an orderly accounting of state requirements for funds disbursement. (RJM)

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GUIDELINES FOR RECEIVING STATE CAPITAL OUTLAY FUNDS

GEORGIA DEPARTMENT OF EDUCATION
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GUIDELINES FOR RECEIVING STATE CAPITAL OUTLAY FUNDS

Preliminary Planning

(1) Schedule of Events. The local school system should use the Schedule of Events furnished by the Facilities Section as a guide to project administration. Space has been provided to show the dates of completion for each action required, thus furnishing a ready reference to keep track of project progress. Check points enable the school system and the architect* to readily determine when and how to proceed from one step to the next.

(*) **Note: when the system has elected to use a construction manager, all references to architect in this guideline should read "architect and construction manager".**

(2) Architect Agreement and Services. The agreement for architectural services shall specify a flat fee based on a percentage not to exceed six percent of a stated cost limitation, plus other costs such as surveys, engineering tests, and soil investigation. The form of agreement will be provided by and must be filed with the Facilities Section, Georgia Department of Education. Any payment to the architect of an amount greater than above will not be chargeable to state capital outlay funds.

(3) Preliminary Design and Plans. It shall be the architect's responsibility to design a functional facility. This can best be attained by locally developed educational specifications and consultation with the Georgia Department of Education Facilities Section staff.

Before the architect begins any drawings, a joint planning conference should be scheduled with the school system, architect*, and the Facilities Section staff to ensure mutual understanding. During this conference, the following topics should be discussed:

(a) *Educational Specifications.* Educational specifications which have been prepared by the system should be presented to the architect.

(b) *The Curriculum.* (NOTE: Decisions should be made prior to this conference regarding the specific course offerings to be housed in the facility.)

(c) *Basic Designs and Functions.* A clear understanding should be agreed upon between all parties regarding number, size, location, and nature of spaces to be included, power requirements, equipment replacement, and any special requirements, as well as space relationships for the facility.

(d) *Water/Sewerage.* Adequate water and sewerage facilities are critical in obtaining approval of plans and a building permit. Any doubts as to the adequacy of an existing

system should be eliminated before plans are drawn. If a system is inadequate, plans for correction must be a part of the construction plans.

(e) *Project Budget.* Every effort should be made to get full value for the dollar invested in construction and to prevent over-designing the project. All parties concerned should be made fully aware of the project budget. The amount of funds available for construction, architectural fees, resident engineer, surveys, soil investigation, cost of loose equipment, contingencies, etc., shall be made perfectly clear.

(f) *Project Scheduling.* The schedule for completion of capital outlay projects is usually critical and extremely rigid since completion of the project must conform to the system's school calendar. The owner and the architect* must understand their respective responsibilities for developing realistic schedules and for adhering to the schedules developed for completion of the planning phase, as well as the construction phase, of the project. The architect* shall be responsible for submitting plans and specification to the Facilities section for review and approval on a timely basis to ensure that sufficient time is available to advertise for bids (as required) prior to the scheduled bid opening and contract award. The architect*, as the local board of education's representative, shall also be responsible for supervision during the construction phase and shall have the responsibility of imposing the sanctions specified in the architectural contract and the construction contract, as deemed necessary, if the contractor fails to adhere to the construction progress schedule. The use of liquidated damages, shall be considered on a case-by-case basis in projects that utilize state capital outlay funds.

(g) *Coordination and Approval of Plans.* Coordination between all parties is a necessary and continuing process in the planning and design of a school facility. Preliminary plans should not be started until floor plan sketches are agreed upon by all parties concerned. Preliminary plans, including large-scale drawings, shall be approved by the local superintendent and his staff, and officially approved by the local board of education, before submission to the Facilities Section of the Georgia Department of Education for approval. Preparation of "Check Set" plans and specifications shall be completed and submitted to the Facilities Section of the Georgia Department of Education for review and comments. Final plans and specification shall be submitted to the Facilities Section and approved prior to advertising for bids. Plans and specifications shall have approval of the State Fire Marshal, the Department of Human Resources, and the Department of Natural Resources, and any other state agency, when applicable, prior to start of construction.

(h) *Specifications.* Specifications shall either identify a minimum of three manufacturers of a product or provide a detailed performance specification which can be bid by a minimum of three manufacturers without prior approval. NOTE: Requests for approval to use proprietary specifications (i.e., specifications containing less than three manufacturers) will be considered on a case-by-case basis. The request shall be in the form of a local board of education resolution signed by the board chairperson and system superintendent.

The request must include a description of the item(s) and justification for the request. All requests shall be submitted to, and approved in writing by, the Facilities Services Unit prior to advertising the project for bids.

(i) *Resident Engineer.* A resident engineer may (with prior approval of the Facilities Section) be budgeted for and employed by the local board of education for large or complicated projects.

Design and Pre-Construction

(1) Project Cost Estimates. The sum approved in the application shall be the controlling budget for the project. It is the responsibility of all parties concerned to keep costs within the approved budget. The architect* shall immediately and without hesitation inform the owner and the Facilities Section, Georgia Department of Education, when estimated costs exceed the project budget.

(2) Final Drawings and Project Manual
--See GBOE Rule 160-5-4-.15.

(3) Contract Documents. Prior to advertising for bids, the owner shall have approval of the final plans and specifications from the Facilities Services Unit and the Department of Human Resources before opening bids, the owner must have approval from all state agencies concerned and have a construction permit, if applicable to the project, issued by the State or Local Fire Marshal and any other local governing agency having jurisdiction. The contract documents shall include a project manual containing all forms shown in the following list, as well as final drawings.

(a) Index

(b) Advertisement for Bids

(c) Instructions to Bidders

(d) Bid Forms for Lump Sum Contract with provisions for alternates if alternates are included

(e) Bid Bond (5% of bid amount)

(f) Proposed Form of Agreement between Owner and Contractor

(g) Performance and Payment Bond Forms (100% of contract amount)

(h) Wage Rates and Federal Requirements, if required

(i) General Conditions

(j) Supplemental General Conditions

(k) Special Conditions

(l) Technical Specifications

The documents in the paragraph above shall be included in every set of bidding documents to be issued to prospective bidders.

If federal funds are combined with state funds, wage determinations shall be secured from the Facilities Section six to eight weeks before advertising for bids. A contract shall not be advertised without a current wage determination as part of the contract.

If alternates are to be included, they shall be used as follows:

(i) Deductive alternates may be used to reduce the base bid; however, they shall be prioritized and exercised in numerical sequence as used in the bid documents. Hence, the most important work must be omitted last.

(ii) Additive alternates shall not be used to determine the low bid. Low bid shall be determined on the base bid less any deductive alternates. Additive alternates may be exercised in any priority order and are to be considered only after the low bidder has been declared.

(4) Advertising. The advertisement for bids shall be in accordance with all applicable state laws and State Board of Education rules.

Advertisement for bids shall appear in publications of general circulation four times for a period of approximately 30 days. A wide circulation of bid invitations is encouraged to obtain the coverage necessary to secure competitive bidding.

(5) Bidding. The selection of a contractor shall be made through the process of open, competitive bidding. A minimum of three contractor bids should be received on all building packages. Any action that impedes or restricts open competitive bidding, such as pre-qualification of bidders, shall not be permitted on projects utilizing capital outlay funds.

(a) Bidders shall be issued complete sets of plans and specifications.

(b) Bidders shall not be restricted on the basis of race, sex, religion, handicap, age or national origin.

(c) Approximately 30 days shall be allowed for submission of bids.

(d) A signed certified tabulation of all bids received shall be filed by the architect with the Facilities Section, Georgia Department of Education.

(6) Overruns. If the low bid exceeds the cost estimate less alternates, the owner shall:

(a) Furnish the additional funds required, or

(b) Negotiate with the apparent low bidder to get within budget limitation, subject to approval by the Facilities Section staff, or

(c) Have the architect redesign the project to reduce cost to the approved project budget and readvertise. Additional architectural fees for redesign are not chargeable to the project budget.

(7) Underruns. If the total amount of contract award is less than the approved budget, the excess funds may be used for reasonable desirable changes or additions which were in the original needs and omitted from the application. Proposals for the use of excess funds shall be approved by the local board of education and submitted to the Facilities Section for approval.

Unused funds shall be carried forward for the next project application.

Transfer of funds from a project with underruns to a project with an overrun shall require approval from the Facilities Section.

(8) Contract Awards. The contract award shall be made to the responsible, responsive bidder submitting the low bid in a lump sum amount within the project budget. The bidder must meet all project contract document requirements.

After the award has been made, the owner shall submit to the Facilities Section, Georgia Department of Education, the following documents:

(a) All documents furnished the bidder, less drawings and project manual, prior to receipt of bids upon which base bids were submitted.

(b) A signed copy of the contract between the owner and the contractor, including all addenda.

(c) A copy of executed performance and payment bonds supported by a power-of-attorney.

(d) A copy of the original policies or certificate of insurance covering policies required in the general conditions.

(9) Pre-construction Conference. Before the start of construction, the school system should schedule a meeting with the Facilities Section of the Georgia Department of Education, the system's architect* and the contractor(s) to discuss such matters as project supervision, on-site inspection, payments, change-orders, reports, and other items pertinent to the project. At this conference, all parties should be prepared to discuss any anticipated problems.

(10) Notice to Proceed. Following the execution of the contract, receipt of all required bonds and insurance requirements, the owner should issue a "Notice to Proceed" letter to the contractor(s) authorizing the start of construction.

(11) Reimbursement. Periodic reimbursement payments authorized by the Facilities Section of the Georgia Department of Education, shall be made upon submission of properly executed request for payment forms by the Owner.

Construction

(1) Inspection of Construction. The school system and its architect* are responsible for inspections of the project to ascertain that construction is proceeding in accordance with approved drawings and project manual. Visits by the Georgia Department of Education staff are not in any way a substitute for the owner's responsibilities.

(2) Contractor's Payrolls. The school system, each contractor and subcontractor shall retain the weekly payroll records for a period of three years after project completion.

(3) Contract Change-Orders. After execution of the contract, it may be necessary to alter the contract. This requires a contract change-order issued by the school system, accepted by the contractor, and approved by the Georgia Department of Education Facilities Section. Such concurrence shall be secured even if the owner pays the additional costs or if no additional costs are incurred. Work under a change-order initiated by the school system prior to concurrence of the Georgia Department of Education shall be at the system's risk as to whether this will be an eligible project cost. (This procedure pertains only to change-orders that affect the original functional design or project scope and does not pertain to convenience change-orders.)

Proposed contract change-orders shall be prepared by the architect* with an original and four copies. Necessary supporting statements, estimates, specifications and drawings must be attached. Before submission to the Georgia Department of Education for concurrence, the change-order shall be signed by the architect*, contractor, and the system superintendent. One copy shall be sent to the Facilities Section. The school system will be notified of concurrence if the change-order is acceptable as it relates to compliance with construction regulations.

With concurrence, the Facilities Section shall indicate whether or not the cost of the change-order can be considered as an authorized project cost.

After approval, the school system shall send the original of the change-order to the contractor, retain a copy, and send one copy to the architect*. (One copy shall be retained by the Georgia Department of Education.)

(4) Accounting Records. Records shall be maintained in a manner consistent with generally accepted accounting practices. Records shall be preserved for three years after completion of the project contract, and be readily available for inspection and audit by state auditors, and by federal auditors if federal funds are involved.

(5) Periodic Payments. Reimbursement of construction costs shall be made only at the school system's request.

Request for reimbursement shall be made on a letter of request by the system superintendent with one copy of the Reimbursement Request form, and Schedule of Change-Orders form, and Summary of Material Stored form, (if needed) along with one copy of other supporting documents (architect, soil investigation, engineering tests, etc.) as attachments to the letter. All required forms can be obtained from the Georgia Department of Education.

The Contractor's Certificate of Payment shall be approved by the architect* and contain a summary of work progress and materials stored using Reimbursement Request form and if needed the Schedule of Change-Orders, and Summary of Material Stored forms. All invoices, except the architect's invoices, shall be approved by the architect*. Architectural invoices shall be approved by the school system. Travel approved by the architect for reimbursement for survey, test and investigations shall comply with state travel regulations.

The local board of education should use care and advice of architect* and attorney in determining the retainage in payments to the contractor. The state shall pay 100% of the local requests until such time that ninety (90) percent of the state funds or contracted work (whichever is less) has been reimbursed to the local board of education. Final inspection and acceptance by the local board of education and architect will allow, final reimbursement.

(6) Occupancy Prior to Completion. Occupancy by the school system prior to completion can jeopardize the school system's and contractor's contractual rights. In the event partial occupancy is necessary, the school system shall obtain written consent from the contractor, endorsement from the insurance carrier, and consent from the Surety permitting occupancy during the remaining period of construction. In addition, there must be compliance with Public Safety Code, Section 92A-712.

(7) Final Inspection. The final inspection shall be scheduled by the school system as soon as possible after the architect* has cleared up all deficiency lists. It is important that the project be complete and functional before final inspection.

The amount of retainage to be released shall be determined after the final inspection. If incomplete work is noted at the final inspection, the architect* shall determine what portion, if any, of the retainage shall be released.

(8) Final Payment. The final payment shall be authorized when the following documents have been submitted:

(a) The architect* approves the contractor's final certificate for payment.

(b) The local board of education certifies that all accounts for labor, material, and services have been paid in full and that there are no claims of any nature outstanding, either liquidated or disputed.

(c) The local board of education provides a copy of the final certificate of the architect.

(9) Warranty Inspection. Prior to the expiration of the contractor's warranty, the school system shall have cause to make an inspection of the complete project to determine deficiencies to be corrected by the contractor under the terms of the general guaranty provisions of the contract.